



COUNTY OF LOS ANGELES  
Internal Services Department  
1100 North Eastern Avenue  
Los Angeles, California 90063



United We Stand

JOAN OUDERKIRK  
Director

TO ENRICH LIVES THROUGH EFFECTIVE AND CARING SERVICE

TELEPHONE: (323) 267-2101  
FACSIMILE: (323) 264-7135

February 3, 2003

To: Each Supervisor

From: Joan Ouderkirk  
Director

Subject: **QUARTERLY REPORT ON LOCAL SMALL BUSINESS ENTERPRISE  
PREFERENCE PROGRAM**

This is the first in a series of ongoing quarterly reports to provide your Board with the status and results of the Local Small Business Enterprise (SBE) Preference Program.

**Background**

On July 23, 2002, your Board approved a Local SBE Preference Program and the effectuating Ordinance, Los Angeles County Code Chapter 2.204. The Ordinance provisions became effective October 28, 2002 and apply to the procurement of all goods and services, unless specifically excluded.

In adopting the Local SBE Ordinance, the Board of Supervisors made a finding that the County should aid and assist, to the maximum extent possible, the interests of local small business concerns in order to preserve free competitive enterprise and to ensure that a fair proportion of the total purchases and contracts or subcontracts for procurement of goods or services for the County be placed with such enterprises. The Program is a race and gender-neutral program designed to enhance contracting and procurement opportunities for local small businesses within the County of Los Angeles by providing a five percent (5%) bid price reduction to bids submitted by certified Local SBEs.

The Local SBE Program is modeled on the State of California's small business preference program and utilizes the State's certification of small business status as a requirement for the County's certification of Local SBE status. In addition to State certification, the County's Local SBE Program requires a small business to have its principal office currently located within the County for a period of at least the past twelve months.

In coordination with the Chief Administrative Office, Office of Small Business, Office of Affirmative Action Compliance and ISD, implementation instructions were developed and issued to County departments on September 27, 2002.

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All vendors were notified, via email, of the Program requirements in September 2002, and again when the Program was implemented.

In addition, my Purchasing Division provided Program training to more than 600 County procurement and contracting personnel from County departments in September and October 2002.

### **Program Participation**

Since the Program implementation on October 28, 2002, 61 vendors have applied, of which 47 have been certified to participate in the County's Local SBE Preference Program through December 31, 2002. Additionally, 12 vendors were pending certification by OAAC and two were denied certification due to the lack of certification by the State of California and not having their principal place of business within the County of Los Angeles for at least 12 months. These low numbers could be reflective of the holiday period in this time frame.

During this reporting period, four reported solicitations involved certified Small Businesses where the 5% preference points were applicable. Of these, two awards were made, however, the Small Business was the low bid, even without the applied preference.

### **Summary**

The reportable numbers for this beginning quarter, indicate we are still in the implementation phase of this Program. It is anticipated that this number will increase over the next reporting period.

If you have any additional questions regarding the Program, please call me directly, or your designated staff may contact Joe Sandoval, ISD Purchasing Division Manager, at (323) 267-2670.

JO:j

c: Chief Administrative Officer  
Department Heads  
Edna Bruce, Office of Small Business  
Robert Valdez, Office of Affirmative Action Compliance